

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

Adv. Pro. No. 08-01789 (SMB)

SIPA Liquidation

(Substantively Consolidated)

**DECLARATION OF VINEET SEHGAL IN SUPPORT OF THE TRUSTEE'S MOTION
AND MEMORANDUM OF LAW TO AFFIRM HIS DETERMINATIONS DENYING
CLAIMS OF CLAIMANTS HOLDING INTERESTS IN THE LAMBETH COMPANY**

I, Vineet Sehgal, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a Managing Director at AlixPartners LLP ("AlixPartners"), a consultant to, and claims agent for, Irving H. Picard as trustee (the "Trustee") for the substantively consolidated liquidation of the business of Bernard L. Madoff Investment Securities ("BLMIS") and Bernard L. Madoff.

2. In December, 2008, AlixPartners was retained by the Trustee as the Trustee's claims agent. As the claims agent, AlixPartners was responsible for both mailing the notice of the liquidation and claim forms to potential claimants and causing the notice of the liquidation to be published. AlixPartners has also been responsible for processing all claims submitted to the Trustee and assisting the Trustee in reviewing each filed customer claim to determine whether the asserted claim amount agrees with the "net equity" for that account. In addition, as the accountants for the BLMIS estate, AlixPartners has assisted and continues to assist the

Trustee in accounting for the assets of the BLMIS estate, including the cash and cash equivalents available to the Trustee.

3. I have been actively involved in the liquidation of BLMIS and the claims process since December 2008 and have personal knowledge of the matters set forth herein.

4. I submit this declaration based upon the information and knowledge acquired during the course of my retention and in support of the Trustee's Motion and Memorandum to Affirm His Determinations Denying Claims of Claimants Holding Interests in the Lambeth Company (the "Motion").¹

5. At the Trustee's direction, my colleagues at AlixPartners and I have reviewed the books and records of BLMIS. During the course of my involvement in this matter, I have personally reviewed thousands of documents, as well as schedules prepared and information collected by my colleagues, relating to the books and records of BLMIS, third party records, bank records and other documentation relevant to BLMIS and its customer accounts and information systems. I have reviewed the books and records of BLMIS and the filed customer claims, analyzing the cash deposit activity, cash withdrawal activity, and transfers between accounts.

6. For purposes of the Motion, the Trustee selected BLMIS account 1L0002 ("Account 1L0002") held by the Lambeth Company ("Lambeth"), which account is listed on Exhibit 1.

7. At the request of the Trustee, my colleagues at AlixPartners and I engaged in a review of the claims and other information provided by the Objecting Claimants to determine the account in which the Objecting Claimants were claiming to have invested.

¹ Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Motion. Certain exhibits attached to this Declaration have been partially redacted to remove sensitive personal information.

8. If an Objecting Claimant failed to provide a BLMIS account number, my colleagues at AlixPartners and I reviewed the claim and any supplemental information attached to the claim form. The supplemental information may have included account statements, corporate formation documents, or other Objecting Claimants' explanations concerning their exposure to BLMIS. The objections filed by Objecting Claimants generally also mention Lambeth. The results of that review are set out on Exhibits 2 and 3.

9. Each of the Objecting Claimants bases his or her customer claim on the Objecting Claimant's relationship to Lambeth, one of its limited partners, and Account 1L0002.

10. On the attached Exhibit 1, the fifth column displays the number of docketed objections filed by the Objecting Claimants that AlixPartners was able to correlate to Account 1L0002.

11. Exhibit 2 provides a list of the 39 claims and 33 objections filed by the Objecting Claimants who claim to hold an interest in Lambeth and that have outstanding objections to the Trustee's determination of their claims. Exhibit 2 also identifies the Objecting Claimants' claim numbers, the docket numbers of the objections as filed with the Court, the lawyers originally representing the Objecting Claimants, the Account number. Each of the claims identified on Exhibit 2 was denied by the Trustee on the grounds that the Objecting Claimants lacked accounts with BLMIS and were not customers of BLMIS.

12. Exhibit 3 provides additional information for the same claims set out in Exhibit 2, including the date and results of the Trustee's claim determinations, and the date each objection was filed.

13. Lambeth did not file a direct claim related to Account 1L0002.

14. The amount of money that Lambeth withdrew from the Account was greater than the amount that was deposited, making Lambeth a “net winner.”

15. Attached hereto as Exhibit 4 is a true and correct copy of the BLMIS customer file for Account 1L0002.

16. Attached hereto as Exhibit 5 is a true and correct copy of claim 003232, filed with the Trustee by Ellen Diamond Waldman.

17. Attached hereto as Exhibit 6 is a true and correct copy of claim 002326, filed with the Trustee by Marie-Antoinette Nelly Baers-Bright.

18. Attached hereto as Exhibit 7 is a true and correct copy of claim 002327, filed with the Trustee by Marie-Antoinette Nelly Baers-Bright.

19. Attached hereto as Exhibit 8 is a true and correct copy of claim 100036, filed with the Trustee by Marie-Antoinette Nelly Baers-Bright.

20. Attached hereto as Exhibit 9 is a true and correct copy of claim 100439, filed with the Trustee by Marie-Antoinette Nelly Baers-Bright.

21. Attached hereto as Exhibit 10 is a true and correct copy of claim 006194, filed with the Trustee on behalf of Hospital Learning Centers Inc., Employee Retirement Trust.

22. Attached hereto as Exhibit 11 is a true and correct copy of claim 014152, filed with the Trustee by Naomi Z. Newman, Trustee of Naomi Newman Trust.

23. Attached hereto as Exhibit 12 is a true and correct copy of claim 013031, filed with the Trustee by Martha D. Strizich.

24. Attached hereto as Exhibit 13 is a true and correct copy of the November 30, 2008 BLMIS customer statement for Account 1L0002.

25. The Account was in the name of Lambeth, not in the name of the respective Objecting Claimants, as detailed on Exhibit 1 attached hereto. The books and records of BLMIS do not reflect individual deposits or withdrawals by the Objecting Claimants. The amounts that the Objecting Claimants allege are owed to them are not discernable from the books and records of BLMIS.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 15, 2017
New York, New York

A handwritten signature in dark ink, appearing to read "V. Sehgal", written in a cursive style.

Vineet Sehgal
Managing Director
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